

Health and Family Services
Medicaid Services
Medicaid Administration

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	17,067,000	40,113,600	39,693,400	37,882,400	36,441,700
Current Year Appropriation	17,198,900				
Salary Compensation Fund	137,800				
Total General Fund	34,403,700	40,113,600	39,693,400	37,882,400	36,441,700
Restricted Funds					
Non-Revenue Receipts	18,306,000	14,075,000	13,080,000	14,075,000	13,080,000
Total Restricted Funds	18,306,000	14,075,000	13,080,000	14,075,000	13,080,000
Federal Funds					
Balance Forward	1,995,272				
Current Receipts	76,251,328	58,859,300	49,505,300	56,945,500	46,579,400
Total Federal Funds	78,246,600	58,859,300	49,505,300	56,945,500	46,579,400
TOTAL SOURCE OF FUNDS	130,956,300	113,047,900	102,278,700	108,902,900	96,101,100
EXPENDITURES BY CLASS					
Personnel Cost	103,185,700	81,583,500	70,517,600	77,438,500	64,340,000
Operating Expenses	2,358,900	1,280,600	1,274,500	1,280,600	1,274,500
Grants, Loans or Benefits	25,411,700	30,183,800	30,486,600	30,183,800	30,486,600
TOTAL EXPENDITURES	130,956,300	113,047,900	102,278,700	108,902,900	96,101,100
EXPENDITURES BY FUND SOURCE					
General Fund	34,403,700	40,113,600	39,693,400	37,882,400	36,441,700
Restricted Funds	18,306,000	14,075,000	13,080,000	14,075,000	13,080,000
Federal Funds	78,246,600	58,859,300	49,505,300	56,945,500	46,579,400
TOTAL EXPENDITURES	130,956,300	113,047,900	102,278,700	108,902,900	96,101,100
EXPENDITURES BY UNIT					
Medical Assistance Administration	129,603,500	111,503,700	100,664,300	107,551,200	94,705,700
KCHIP Administration	1,352,800	1,544,200	1,614,400	1,351,700	1,395,400
TOTAL EXPENDITURES	130,956,300	113,047,900	102,278,700	108,902,900	96,101,100

Administrative functions of the Medicaid program and the Kentucky Children's Health Insurance program (KCHIP) include: determining applicant eligibility, formulating policy, processing claims, assuring appropriate utilization and collecting third party liabilities, overpayments and cost reimbursement settlements. Claims are paid through contracts with a fiscal agent and a pharmacy benefits administrator. The Medicaid program contracts for medical review of acute care admissions, level of care determinations for long-term care patients, and reviews of care for recipients in mental hospitals and psychiatric facilities. The Department for Community Based Services performs the eligibility determination function through contract.

The Department also administers KCHIP, the Kentucky Children's Health Insurance Program. This program provides health care services for uninsured children with family incomes below 200 percent of the federal poverty level but above the federal poverty level for the Medicaid Program.

Policy

The Governor's budget recommendation includes a current year General Fund appropriation of \$17,198,900 and a current year

Federal Fund appropriation of \$37,271,000 to enable the department to move forward with Medicaid modernization. An additional General Fund appropriation of \$20,677,600 and additional Federal Funds of \$24,863,700 are recommended for fiscal year 2007. For fiscal year 2008, the Governor's recommended budget includes an additional General Fund appropriation of \$19,236,900 and additional Federal Funds of \$15,471,800.